

TAHOE FUND

Tahoe City, California

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

March 31, 2024 and 2023

TAHOE FUND
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tahoe Fund

Opinion

We have audited the accompanying financial statements of Tahoe Fund (a nonprofit organization), which comprise the statement of financial position as of March 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tahoe Fund as of March 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tahoe Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tahoe Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tahoe Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tahoe Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Tahoe Fund's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McClintock Accountancy Corporation

MCCLINTOCK ACCOUNTANCY CORPORATION
Tahoe City, California
August 23, 2024

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TAHOE FUND

Exhibit A

STATEMENTS OF FINANCIAL POSITION
 March 31, 2024 (with comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
ASSETS				
Cash and cash equivalents	\$ 267,419	\$ 806,650	\$ 1,074,069	\$ 781,386
Beneficial interests in assets held at local community foundations (Note 4)	5,897,210	3,061,384	8,958,594	7,892,801
Other investments	900,000	-0-	900,000	-0-
Contributions and pledges receivable, net (Note 6)	131,604	1,258,552	1,390,156	1,284,667
Accrued interest receivable	16,702	-0-	16,702	-0-
Programmatic investments (Note 5)	50,000	-0-	50,000	50,000
Prepaid expenses	22,458	-0-	22,458	42,124
Total Assets	<u>\$ 7,285,393</u>	<u>\$ 5,126,586</u>	<u>\$ 12,411,979</u>	<u>\$ 10,050,978</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 70,821	\$ -0-	\$ 70,821	\$ 139,784
Payroll liabilities	25,022	-0-	25,022	27,798
Funds held for others	-0-	-0-	-0-	8,016
Total Liabilities	<u>95,843</u>	<u>-0-</u>	<u>95,843</u>	<u>175,598</u>
NET ASSETS				
Without Donor Restrictions	1,242,340	-0-	1,242,340	564,534
Without Donor Restrictions - Board designated (Note 9)	5,947,210	-0-	5,947,210	5,131,390
With Donor Restrictions (Note 10)	-0-	5,126,586	5,126,586	4,179,456
Total Net Assets	<u>7,189,550</u>	<u>5,126,586</u>	<u>12,316,136</u>	<u>9,875,380</u>
Total Liabilities and Net Assets	<u>\$ 7,285,393</u>	<u>\$ 5,126,586</u>	<u>\$ 12,411,979</u>	<u>\$ 10,050,978</u>

The accompanying notes are an integral part of these statements.

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Exhibit B

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended March 31, 2024 (with comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE				
Contributions	\$ 1,484,870	\$ 2,203,845	\$ 3,688,716	\$ 3,099,197
Governmental grants	-0-	166,860	166,860	60,619
Contract income	-0-	-0-	-0-	1,500
Donated goods, services and facilities (Note 13)	28,778	-0-	28,778	31,129
Gross special events revenue	138,276	-0-	138,276	110,950
Less: Cost of events	(170,005)	-0-	(170,005)	(144,888)
Net special events revenue	(31,729)	-0-	(31,729)	(33,938)
Change in value of beneficial interests in assets held at local community foundations	1,056,526	38,386	1,094,912	(593,043)
Interest income	33,975	-0-	33,975	-0-
Net assets released from restrictions:				
Satisfaction of time restrictions	656,523	(656,523)	-0-	-0-
Satisfaction of purpose restrictions	805,438	(805,438)	-0-	-0-
Total net assets released	1,461,961	(1,461,961)	-0-	-0-
Total Revenue (Note 12)	4,034,381	947,130	4,981,511	2,565,464
EXPENSES				
Program services	1,893,243	-0-	1,893,243	1,844,722
Supporting services				
General and administrative	332,808	-0-	332,808	355,514
Fundraising	314,704	-0-	314,704	222,465
Total supporting services	647,512	-0-	647,512	577,979
Total Expenses	2,540,755	-0-	2,540,755	2,422,701
Increase in Net Assets	1,493,626	947,130	2,440,756	142,763
Net Assets at Beginning of Year	5,695,924	4,179,456	9,875,380	9,732,617
Net Assets at End of Year	\$ 7,189,550	\$ 5,126,586	\$ 12,316,136	\$ 9,875,380

The accompanying notes are an integral part of these statements.

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Exhibit C

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2024 (with comparative totals for 2023)

	2024				2023
	Program Services	Supporting Services		Total	Total
	Program & Facilities	General and Administrative	Fund Raising		
Expenses					
Salaries, wages and related	\$ 523,211	\$ 119,166	\$ 148,081	\$ 790,458	\$ 715,869
Contracted services					
Consulting	66,720	-0-	51,434	118,154	60,407
Project expenses	32,289	-0-	-0-	32,289	11,186
Marketing	1,006	50,180	19,976	71,162	59,676
Accounting	-0-	45,016	-0-	45,016	38,390
Community outreach	12,000	-0-	-0-	12,000	9,000
Other contract services	19,305	18,153	-0-	37,458	64,939
Grants	1,014,602	-0-	-0-	1,014,602	1,071,998
Unfulfilled pledges	-0-	-0-	46,421	46,421	18,674
Events	17,195	-0-	-0-	17,195	7,209
Occupancy	18,599	5,890	6,510	30,999	34,006
Bank and merchant card fees	-0-	29,584	128	29,712	23,031
Other expenses	1,551	6,348	5,400	13,299	14,825
Printing, copying, and publications	8,704	7,095	19,362	35,161	24,653
Travel	4,719	12,372	1,756	18,847	17,065
Dues and subscriptions	-0-	10,328	-0-	10,328	10,686
Insurance	-0-	10,310	-0-	10,310	8,621
Supplies, computer and software	16,098	10,284	6,714	33,096	67,450
Telephone and internet	24	5,290	-0-	5,314	10,029
Postage and shipping	-0-	2,792	8,922	11,714	13,580
Advertising (Note 14)	157,220	-0-	-0-	157,220	141,407
	<u>\$ 1,893,243</u>	<u>\$ 332,808</u>	<u>\$ 314,704</u>	<u>\$ 2,540,755</u>	<u>\$ 2,422,701</u>

The accompanying notes are an integral part of these statements.

TAHOE FUND

Exhibit D

STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
	<u>Total</u>	<u>Total</u>
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 2,440,756	\$ 142,763
Adjustments to reconcile increase in net assets to net cash		
Unfulfilled pledges	46,421	18,674
Contributions restricted to endowment	(23,945)	(29,271)
Change in receivables	(185,507)	(293,699)
Amortization of discount on promises to give	33,595	73,886
Change in beneficial interests in assets at local community foundations	(1,071,857)	399,614
Change in prepaid expenses and other assets	2,965	(25,947)
Change in payables	(68,962)	17,420
Change in accrued liabilities and funds held for others	(10,792)	(252)
Total Adjustments	<u>(1,278,081)</u>	<u>160,425</u>
Net Cash Provided (Used) by Operating Activities	<u>1,162,675</u>	<u>303,188</u>
Cash Flows from Investing Activities:		
Purchase of programmatic investments	-0-	(50,000)
Purchase of certificates of deposit	(900,000)	-0-
Net Cash Used by Investing Activities	<u>(900,000)</u>	<u>(50,000)</u>
Cash Flows from Financing Activities:		
Contributions restricted for:		
Investment in Trails Endowment (Note 7)	22,350	25,360
Investment in Operating Endowment (Note 8)	1,595	3,911
Other financing activities:		
Interest and dividends restricted for reinvestment	6,063	2,231
Net Cash Provided from Financing Activities	<u>30,008</u>	<u>31,502</u>
Net Increase in Cash and Cash Equivalents	292,683	284,690
Cash and Cash Equivalents, Beginning of the Year	781,386	496,696
Cash and Cash Equivalents, End of the Year	<u>\$ 1,074,069</u>	<u>\$ 781,386</u>

The accompanying notes are an integral part of these statements.

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NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

1. Form of Organization

Tahoe Fund was incorporated in April 2010 as a non-profit corporation in the States of Nevada and California. The purpose of Tahoe Fund is to build broad support and funding for environmental projects and programs around the Lake Tahoe Basin with an emphasis on lake clarity, sustainable recreation, forest health, transportation and stewardship. Tahoe Fund is funded primarily by contributions from individuals, businesses, and foundations.

2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The financial statements of Tahoe Fund have been prepared on the accrual basis of accounting. Additionally, information regarding its financial position and activities are classified according to two classes of net assets based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets Without Donor Restrictions are resources currently available for various programs and administration of Tahoe Fund, board designated funds, or invested in property and equipment.

Net Assets With Donor Restrictions consist of donor restricted contributions. Amounts restricted by the donor for a particular purpose or time period are reported as revenue with donor restrictions when received and such unexpended amounts are reported as net assets with donor restrictions at year end.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as “net assets released from restrictions.”

Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

Contributions

Contributions are recorded at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are recorded as support with donor restrictions. Conditional contributions are recognized when the conditions are substantially met.

Donated Goods, Facilities, and Services

Donations of goods and facilities (which may include securities, equipment, and use of office space) are recorded at fair value at the date of the gift and reported as gifts without donor restrictions unless the donor has stipulated how long the asset must be used or has restricted the item(s) for a specific purpose.

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NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

Many individuals volunteer their time and perform a variety of tasks that assist Tahoe Fund. Contributions of services are recognized at fair value if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing these skills and would typically need to be purchased if not provided by donation.

Functional Expenses

Tahoe Fund's expenses are recorded into the functional expense categories of program and facilities, general and administrative, and fund raising based on a combination of direct identification and, when significant, allocation.

To the extent possible, expenses are recorded in the functional category that receives the most benefit. Expenses requiring allocation are allocated based on a reasonable basis that is consistently applied. Wages and benefits are allocated on the basis of estimates for time and effort. Occupancy expenses are allocated based on a combination of square footage and an estimate of time and effort of the employees that occupy the square footage of each office. Insignificant indirect expenses, such as, office supplies and telephone are recorded as general and administrative.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported and disclosed. Actual results could differ from those estimates.

Liquidity Presentation

In order to provide information about liquidity, assets have been sequenced according to their nearness to conversion to cash and liabilities have been sequenced according to the nearness of their maturity and resulting use of cash.

Allowance for Unfulfilled Pledges

An allowance for unfulfilled pledges is created when an pledge's collectability is uncertain. Tahoe Fund estimates unfulfilled pledges based on factors related to the specific payer's ability to pay and current economic trends. As of March 31, 2024 and 2023, the allowance for unfulfilled pledges was \$0- and \$18,574, respectively.

Cash and Cash Equivalents

For the purposes of the statement of cash flow, cash is defined as highly liquid investments with remaining maturities of three months or less at the time of purchase.

Investments

Investments are comprised of certificates of deposits and are carried at cost for the year ended March 31, 2024.

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NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

Fair Value Measurements

Fair value is a market-based measurement not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For others, market transactions or information might not be available. However, the objective of a fair value measurement in both cases is the same - to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs, as defined by generally accepted accounting principles (GAAP), is used.

Level 1 Inputs Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 Inputs Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs Unobservable inputs for the assets or liabilities (that is, inputs supported by little or no market activity).

The carrying amounts of financial instruments, including cash and accounts payable approximate their fair value due to the short-term maturities of these instruments.

Fixed Assets

Property, furniture, equipment and related costs are capitalized individually at \$5,000 and above and stated at cost.

Depreciation is computed on the straight-line basis over the useful lives of the assets. When items are disposed of, the cost and accumulated depreciation are eliminated from the records of account.

Funds Held for Others

Funds held for others are monies received from organizations participating in the Green Bucks program (a contribution program with area resorts, hotels and restaurants) which are to be paid out to the Truckee River Watershed Council, another recipient of Green Bucks program contributions.

Income Taxes

Tahoe Fund is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3), and a similar exemption for California purposes. Tahoe Fund is not classified as a private foundation. Unrelated business income, if any, is taxed at regular corporate tax rates.

TAHOE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

Management has processes presently in place to ensure maintenance of its tax-exempt status; to identify and report unrelated business income; to determine the filing and tax obligations for which there is nexus; and to identify and evaluate other matters that may be considered tax positions. Tahoe Fund has evaluated their tax positions and related income tax contingencies and do not believe that any material uncertain tax positions exist that require recognition of disclosure in the financial statements.

Certain amounts in the 2023 financial statements have been reclassified to conform to the presentation in the 2024 financial statements. The reclassifications have no impact on the financial position or results of operations for 2023.

3. Concentrations of Credit Risk

Tahoe Fund maintains accounts at local banks. The balance in these accounts may, at times, exceed federally insured limits.

Tahoe Fund has a beneficial interest in assets held at local community foundations (Note 4). The funds are held at Parasol Foundation and Tahoe Truckee Community Foundation (local community foundations) and invested in equities, bonds and other alternative investments which fluctuate with market conditions. Tahoe Fund has evaluated the guidelines established by the local community foundations relative to diversification and maturities that target certain safety and liquidity measures and believe that, although the value of these assets are subject to fluctuations on a year-to-year basis, the investment policies of the local community foundations are prudent for long-term growth.

Tahoe Fund minimizes credit risk by periodically evaluating the credit quality of its financial institutions and local community foundations. Additionally, no material losses have been experienced on any such accounts and management believes Tahoe Fund is not exposed to any significant credit risk.

4. Beneficial Interest in Assets Held at Community Foundations

Tahoe Fund has contracted with local community foundations for investment management with Tahoe Fund as the beneficiary. The funds consisted of project funds with donor restrictions, a board designated endowment (Note 9), the Trails Endowment (Note 7), the operating endowment (Note 8) and operating reserves. Distributions from the accounts can be made at any time at the written request of Tahoe Fund and in accordance with the policies of the local community foundations

Tahoe Fund granted variance power to the local community foundations. Variance power protects funds from obsolescence. Should the purposes for which Tahoe Fund was created become obsolete, incapable of fulfillment or inconsistent with the charitable needs of the community served, it is the local community foundation's Board of Directors responsibility, after contacting and being advised by Tahoe Fund, to revise the charitable intent of

TAHOE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

remaining funds to use for a purpose as similar as possible to those set forth in the Tahoe Fund agreement.

At March 31, 2024 and 2023, the funds have the following values and are reported in the statement of financial position at fair value as a beneficial interest in assets held by others:

	2024	2023
Parasol Foundation	\$ 8,939,035	\$ 7,875,077
Tahoe Truckee Community Foundation	19,559	17,724
	\$ 8,958,594	\$ 7,892,801

For the year ended March 31, 2024, the entity determined these investments to be Level 2 investments rather than Level 3 investments, as previously stated. The reclassification did not have a material impact on the entity's financial position, result of operations, or cash flows.

The beneficial interest is valued at the proportional share of pooled funds as reported to Tahoe Fund by the local community foundations and is included within Level 2 of the fair value hierarchy (Note 2). As of March 31, 2024, the local community foundation's investments are composed approximately of 37.7% domestic equities and equity funds, 12.5% international equity funds, 43.4 bonds, and 6.4% alternate investment and money market funds. As of March 31, 2023, the local community foundation's investments are composed approximately of 37.3% domestic equities and equity funds, 12.4% international equity funds, 43.7% bonds, and 6.6% alternate investment and money market funds. As required by generally accepted accounting principles, net assets associated with these funds are classified and reported based on the existence or absence of donor-imposed restrictions.

	Level 1	Level 2	Level 3	Total
2024	\$ -0-	\$ 8,958,594	\$ -0-	\$ 8,958,594
2023	\$ -0-	\$ 7,982,801	\$ -0-	\$ 7,982,801

The following table provides a summary of changes in fair value of Tahoe Fund's Level 2 financial assets for the year ended March 31:

	2024	2023
Beginning Balance	\$ 7,892,801	\$ 8,294,646
Additions	-0-	377,766
Distributions	(29,119)	(186,568)
Change in value of beneficial interest	1,094,912	(593,043)
Ending Value of Balance	\$ 8,958,594	\$ 7,892,801

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March 31, 2024 and 2023

5. Programmatic Investments

The primary purpose of a programmatic investment is to further the tax-exempt objectives of the organization with the production of income or appreciation of the asset not being a significant purpose. Tahoe Fund invests in these types of investments as opportunities present themselves.

During the fiscal year ended March 2023, Tahoe Fund made its first programmatic investment in a company that is automating forest thinning with plans to expand operations in the Tahoe area. This investment aligns programmatically with Tahoe Fund's priority to increase the pace and scale of forest restoration to reduce the threat of catastrophic wildfires. As this company is a startup and the stock (Seed 1 Preferred Stock) is currently restricted with no active market, there is no readily determinable fair value (Level 3 investment). Additionally, at less than .5% ownership, Tahoe Fund has no controlling interest nor the ability to exercise significant influence.

Tahoe Fund has chosen the measurement alternative to value the investment at cost minus impairment, if any (ASC 321-10-35-2). The company is just starting and thus far, there have been no indicators of impairment, such as: change in the management team, adverse conditions in the industry, changes in the technological environment, or change in business prospects. As such, the current value has been measured accordingly at \$50,000, the price initially paid.

6. Contributions Receivable

Contributions, including promises to give, are recognized at their estimated fair value, on a nonrecurring basis, at the time the contribution or promise is made. Fair value is determined by calculating the net present value of estimated future cash flows. The Wall Street Journal prime rate is the discount rate used in determining the net present value of contributions receivable and was 8.5% and 8.0% at March 31, 2024 and 2023, respectively. The receivables are included within Level 3 of the fair value hierarchy because determination of the net present value of future cash flows is based on little or no market data and requires management to develop their own assumptions.

	Level 1	Level 2	Level 3	Total
2024	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,390,156</u>	<u>\$ 1,390,156</u>
2023	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,284,667</u>	<u>\$ 1,284,667</u>

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Contributions receivable consist of the following at March 31:

	2024	2023
Less than 1 year	\$ 131,606	\$ 275,306
1-5 years	1,409,711	1,145,500
Total contributions receivable	1,541,317	1,420,806
Less: unamortized discount	(151,161)	(117,565)
Less: allowance for unfulfilled pledges	-0-	(18,574)
	\$ 1,390,156	\$ 1,284,667

7. Trails Endowment

During 2020, Tahoe Fund received a donation with a donor restriction to setup a trails endowment fund to support trail improvements around the Tahoe region. At times, Tahoe Fund also contributes board designated funds into the endowment. Tahoe Fund's goal is to grow the fund to \$3,000,000 over time. Earnings from this fund are available for use immediately to support the endowment's purpose.

The funds are held at a local bank and a local community foundation (Note 4). When contributions with donor restrictions are received, they are held at a local bank and periodically transferred to the local community foundation. The funds held at the local community foundation are invested in funds that are expected to provide an average annual rate of return sufficient to preserve the capital of the fund while providing an annual stream of funding sufficient to support the endowment's purposes.

	2024		Total
	With Donor Restrictions	Board Designated	
Beginning of year	\$ 205,854	\$ 698,050	\$ 903,904
Contributions	22,350	-0-	22,350
Distributions	(2,876)	(26,241)	29,117
Investment income	5,878	19,756	25,634
Unrealized gain	31,343	105,754	137,097
End of year	\$ 262,549	\$ 797,319	\$ 1,059,868

	2023		Total
	With Donor Restrictions	Board Designated	
Beginning of year	\$ 211,917	\$ 807,849	\$ 1,019,766
Contributions	25,360	-0-	25,360
Distributions	(11,400)	(33,600)	(45,000)
Investment income	2,190	8,172	10,362
Unrealized gain (loss)	(22,213)	(84,371)	(106,584)
End of year	\$ 205,854	\$ 698,050	\$ 903,904

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March 31, 2024 and 2023

8. Operating Endowment

During 2015, Tahoe Fund established an endowment fund from its net assets without donor restrictions, known as a quasi-endowment, to support the operating expenses of Tahoe Fund. Tahoe Fund's Board set a minimum of \$1,000,000 before appropriations will be made from the endowment. The plan currently is to re-invest earnings and future donations with and without donor restrictions to grow the endowment before appropriations are made.

The funds are held at local community foundations (Note 4) in long term funds that are expected to provide an average annual rate of return sufficient to preserve the capital of the fund while providing an annual stream of funding sufficient to support the endowments' purposes.

	2024		
	With Donor Restrictions	Board Designated	Total
Beginning of year	\$ 6,308	\$ 1,391,472	\$ 1,397,780
Contributions	1,595	-0-	1,595
Investment income	185	40,509	40,694
Unrealized gain (loss)	980	214,861	215,841
End of year	\$ 9,068	\$ 1,646,842	\$ 1,655,910

	2023		
	With Donor Restrictions	Board Designated	Total
Beginning of year	\$ 2,625	\$ 1,531,542	\$ 1,534,167
Contributions	3,911	-0-	3,911
Investment income	41	16,160	16,201
Unrealized gain (loss)	(269)	(156,230)	(156,499)
End of year	\$ 6,308	\$ 1,391,472	\$ 1,397,780

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9. Board Designated

The board of directors established funds for future projects and priorities consistent with the strategic plan.

Board designations consist of the following at March 31:

	2024	2023
Designated for particular purpose or project	\$ 2,125,179	\$ 1,815,194
Operating reserves	1,377,870	1,226,674
Operating endowment (Note 8)	1,646,842	1,391,472
Trails Endowment (Note 7)	797,319	698,050
	\$ 5,947,210	\$ 5,131,390

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	2024	2023
Bikeways	\$ 2,778,070	\$ 2,470,867
Conservation	35,073	74,213
Environmental Venture Trust	85,264	80,714
Forest Health	89,422	218,279
Recreation & other	506,810	168,273
Trails Endowment (Note 7)	262,549	205,854
Operating Endowment (Note 8)	9,068	6,308
Stewardship	190,335	67,841
Time restricted pledges	1,169,995	887,107
	\$ 5,126,586	\$ 4,179,456

Earnings generated by funds with donor restrictions is available for appropriation by the Board of Directors with the exception of earnings generated by the Trails Endowment funds with donor restrictions.

11. Liquidity and Availability of Resources

Tahoe Fund's goal is to cover general expenditures through donations received without donor restrictions. This is done through various fundraising campaigns, such as the Green Bucks program, Stewardship circle (a 3-year annual commitment), and general donations from individuals and foundations. Although largely waived in recent years, 10% of donations received with donor restrictions are also available for general expenditures.

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Tahoe Fund also has a policy to maintain an operating reserve adequate to cover 24 months of general expenditures, approximately \$1,400,000, and operates with a balanced budget. As part of its liquidity plan, excess cash is invested in a combination of intermediate and short-term investments.

General expenditures include all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average monthly expenses also excludes project expenses.

Project expenses have largely been covered by donations received with donor restrictions. However, board designated and other donations received without donor restrictions are also used. At the discretion of the board of directors, amounts that are board designated can be reallocated and used to meet general expenditures as needed.

At March 31, the following financial assets were available to meet general expenditures over the next twelve months:

Financial Assets at Year End	2024	2023
Cash and other investments	\$1,974,069	\$ 781,386
Beneficial Interests	8,958,594	7,892,801
Contributions Receivable, net	1,390,156	1,284,667
Accrued Interest Receivable	16,702	-0-
Total financial assets	12,339,521	9,958,854
 Adjustments:		
Less: Net assets with donor restrictions (Note 10)	(5,126,586)	(4,179,456)
Plus: Time restrictions to be met during fiscal year	847,212	693,000
Less: Board Designated (Note 9)	(5,947,210)	(5,131,390)
Plus: Board Designated for Operating Reserves (Note 9)	1,377,780	1,226,674
	(8,848,804)	(7,391,172)
Financial Assets Available	\$3,490,717	\$2,567,682

12. Sources of Revenue

For the years ended March 31, 2024 and 2023, all sources of revenue were individually 9% or less of current revenue and not considered by management to be individually significant to overall operations.

TAHOE FUND

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13. Donated Goods, Services and Facilities

The following amounts are recognized in the financial statements for the year ending March 31:

	2024	2023	
Use of facilities/meeting rooms	\$ 7,648	\$ 8,853	Administrative
Use of facilities/meeting rooms	5,737	6,638	Fundraising
Use of facilities/meeting rooms	5,737	6,638	Program
Database subscriptions	9,000	9,000	Fundraising
Total	\$ 28,122	\$ 31,129	

Tahoe Fund has an annual grant from the Parasol Foundation for office and meeting space. The Parasol Foundation contributes 70% of the market value for furnished office space and Tahoe Fund pays the remaining 30%. Additionally, the Parasol Foundation provides meeting space and storage. The value of facilities donated by the Parasol Foundation for the year ended March 31, 2024 was \$16,069 for office space, \$2,243 for meeting space, and \$810 for storage space for a total of \$19,122. March 31, 2023 was \$16,069 for office space, \$5,250 for meeting space, and \$810 for storage space for a total of \$22,129. These amounts were allocated by functional expense as noted above.

14. Advertising

Advertising costs are expensed in full when the advertising first appears.

15. Subsequent Events

Subsequent events have been evaluated by management through August 23, 2024 the date that the statements were available for issuance, and no events material to the financial statements were identified.